

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0590

Individual Income Tax

Calendar Year 1997

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. Indiana Adjusted Gross Income – Modification of Federal Adjusted Gross Income

Authority: 45 IAC 3.1-1-1

Taxpayer protests the modifications.

STATEMENT OF FACTS

Taxpayer's was assessed additional tax based upon various adjustments on Schedule C of the Federal Tax Return. The following items were adjusted based upon records the taxpayer provided the auditor.

- 1) Income from additional sales in the amount of +\$17,029
- 2) Bad debt allowance for cash basis taxpayer -\$275
- 3) Interest deduction home mortgage -\$1,115.83
- 4) Interest reduction credit cards -\$3,240.83
- 5) Sales tax paid in 1997 for the tax years 1991, 1992 1993 -\$5,496.22

Taxpayer submitted a protest that was received by the Indiana Department of Revenue on November 15, 1999. On May 31, 2000, the Department responded to the letter of protest, addressed each item, and advised the taxpayer that there were many inconsistencies that must be proven before the Department could reduce the assessment. No documentation had been provided and a hearing was scheduled for March 13, 2002. No one appeared for the hearing.

The Department makes its decision based upon information contained in the audit file.

I. Indiana Adjusted Gross Income – Best Information Available

DISCUSSION

Taxpayer failed to report all of its gross receipts on Schedule C for 1997 and deducted personal expenses that the auditor disallowed.

Taxpayer failed to appear for a hearing and has provided nothing to aid in the resolution of the audit.

FINDING

Taxpayer's protest is denied.